

IRS TAX TIP 2001-44 NOTICES -- WHAT TO DO

WASHINGTON – It's a moment any taxpayer dreads. A letter arrives from the IRS – and it's not a refund check. But don't panic. Many of these letters can be dealt with simply and painlessly.

Each year, the IRS sends millions of letters and notices to taxpayers to request payment for taxes, notify them of a change to their account or request additional information. The notice you receive normally covers a very specific issue about your account or tax return. Each letter and notice offers specific instructions on what you are asked to do to satisfy the inquiry. Most notices also give you a phone number to call to ask questions.

Most correspondence can be handled without calling or visiting an IRS office, if you follow the instructions in the letter or notice. However, if you have questions, call the telephone number in the upper right-hand corner of the notice, or call the IRS at 1-800-829-1040. Have a copy of your tax return and the correspondence available when you call so your account can be readily accessed.

Before contacting the IRS, please review the correspondence and compare it with the information on your return. If you agree with the correction to your account, no reply is necessary unless a payment is due. If you do not agree with the correction the IRS made, it is important that you respond as requested. Please write to explain why you disagree. Include any documents and information you wish the IRS to consider, along with the bottom tear-off portion of the notice. Mail the information to the IRS address shown in the upper left-hand corner of the notice. Allow at least 30 days for a response.

Sometimes, the IRS sends a second letter or notice requesting additional information or providing additional information to you. Be sure to keep copies of any correspondence with your records.

For more information about IRS notices and bills, see Publication 594, "Understanding the Collection Process." Information about penalties and interest charges is available in Publication 17, "Your Federal Income Tax." Both publications are available on the IRS Web site at www.irs.gov or by calling 1-800-829-3676.